

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6233**

**BILL NUMBER:** SB 199

**NOTE PREPARED:** Nov 13, 2003

**BILL AMENDED:**

**SUBJECT:** Riverboat Admission Taxes.

**FIRST AUTHOR:** Sen. Server

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill provides that the part of the Riverboat Admissions Tax that is distributed to racetracks must be evenly divided among each racetrack.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** The bill requires Riverboat Admission Tax revenue earmarked for Hoosier Park and Indianapolis Downs racetracks to be divided equally. The bill will not affect the overall share of Admission Tax revenue distributed to the racetracks, nor will it affect the division of this revenue between the racetracks.

*Background:* Under current law, \$0.65 of each \$3 Riverboat Admission Tax is distributed to the Indiana Horse Racing Commission (IHRC). Current law specifies the purposes for which the IHRC is to distribute this money, including to pari-mutuel racetracks approved by the IHRC. In addition, current law allows the IHRC to determine the amount to be spent on each purpose. Under current IHRC rules, 40% of the Admission Tax revenue is to be divided between the two racetrack owners. These rules provide for an equal division of the revenue between the racetracks in 2003. However, existing rules provide that the 2004 distribution to the racetracks is to be divided as follows: (1) one-half to be divided equally between the two racetracks; and (2) one-half to be divided in proportion to the total purses generated from live and simulcast betting handle at each owner's racetrack and satellite facilities. The Admission Tax distribution to the racetracks is being divided equally in 2003 in accordance with rules of the IHRC. On September 26, 2003, the IHRC approved a motion to change existing rules and equally divide the Admission Tax revenue to the racetracks in 2004 and succeeding years. The IHRC is scheduled to formally promulgate this rule change at its October 15, 2003, meeting.

The Riverboat Admission Tax distribution to horse racing is fixed at \$27.2 M each fiscal year (the FY 2002 distribution level). Thus, the amount distributed to the racetracks in 2004 and subsequent years should total about \$10.9 M ( $\$27.2 \text{ M} * 40\%$ ). Divided equally, each racetrack would receive about \$5.45 M annually.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Horse Racing Commission.

**Local Agencies Affected:**

**Information Sources:** 71 IAC 12-2-15(b)(4); IHRC Meeting, September 26, 2003.

**Fiscal Analyst:** Jim Landers, 317-232-9869.